

MARKET pulse.se



Dear Investors,

MARKET PULSE, the monthly report from ACMIL, aims to provide insightful perspectives on all aspects of the market, the Fundamental, Technical, and Derivatives. The report contents

Overall Outlook

- Domestic & Global Update

Investment Idea

- Schaeffler India Limited

Technical View

- Nifty View
- Bank Nifty View
- Bharat Electronics Limited (BEL)
- PI Industries Limited (PIIND)

Derivatives Report

- Rollover Report

Retail Research Call Performance

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MARKET PULSE aims to capture the market in all its hues and colors and provides a range of information that helps in making wise investment decisions.

Regards,
Research Team
ACMIL

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Domestic Market Update

The Indian Equity market remained lackluster in the month of March. The domestic market has seen a correction during the month but at the end of the month, the market found support and recovered from lower levels. Nifty and Sensex ended flat monthly closing of around 0.3% and 0.05% respectively. The broader market underperformed further, BSE midcap ended flat around 0.1% and BSE small-cap ended with a decline of 1.4% for March 2023. FPI remained the net buyer in Indian equity market for the month of March 2023 due to GQG capital inflow to Adani group, if excludes then remained net sellers. FPI bought in equity Rs 1,997.70 crore & DII bought Rs 30,548.77 crore for month of March. For FY23, Benchmark Indices (Nifty and Sensex) traded in a broad range for the entire financial year. Nifty down 0.6% and Sensex up about 1% in FY23. FPI net sold worth around Rs 1.98 lakh crore while DII pumped nearly around Rs 2.55 lakh crore in Indian equities in FY23. DII continues to give support at lower levels and faith by Retail Investors through mutual funds restricted Indian equity in time-wise correction.

The RBI Policy Committee will meet on April 6, 2023, with the probability of a 25 bps policy rate rise and the repo rate moving to 6.75%. We must await the RBI's policy stance moving ahead, but it appears that the interest rate rise cycle may be paused for the entire FY24 unless inflation exceeds the RBI's target range. India's PMI data (both Manufacturing & Service) is still showing strength due to strong growth and domestic demand. Its good sign for overall GDP growth of the country moving forward. India's trade deficit sharply narrowed down to \$17.43 bn (February 2023) in last two months which is indicating strong sign and easing currency pressure in short term. India's recent GST Tax collection came around 1.60 lakh crore for the month of March 2023 which is second highest revenue collection after April 2022.

Commodity prices witnessed sharp corrections and price moderation in general (crude oil, palm oil, copper, coal, natural gas, etc.) from January 23 to March 23. CPI for March was around 6.44%, and it is expected to fall further owing to commodity price declines. Due to the general softening of commodity prices, corporate earnings are expected to improve in FY24. It remains to be positive and optimistic on sectors that include capital goods & engineering, defence, infrastructure & construction, banking & financials, auto & auto ancillary, cement, banking & financials etc. which are going to prevail in the coming rally. Some laggard sectors also have value buying opportunities to accumulate at lower levels, including Information Technology, Specialty Chemicals & Metals, etc. The range-bound phase of the Indian benchmark Indices has resulted in a decent correction in valuation multiples. The Nifty (~17300 levels) is trading around 17.7x of one-year forward earnings. However, the correction in the broader market has caused a lot of damage to investor Portfolios. Nifty has strong support near 16750-16600 levels and resistance around 17800-18000 levels in short term. It may continue to trade in this broad range for some more time. The break of these ranges will lead to a sharp trending move in medium-term perspectives.

Global Market Update

Global Indices also remained lackluster with a corrective phase in the month of March 2023. Inflation, Interest rate and Geo-Political worry due to Russia- Ukraine war is a headwind for global economic slowdown. Dow Jones, S&P 500 & Nasdaq composite ended the month with advances of 1.9%, 3.5% and 6.7% respectively. Global markets have seen a correction during the month but at the end of month, market found support and recovered from lower levels.

Short-term turmoil in the global financial market and saw a Banking crisis due to the collapse of SVB and Signature Banks in USA in the month of March 2023. There is an Asset-liability mismatch due to a sharp rise in interest rates by the Federal Reserve last couple of months. Bank has been unable to raise short-term capital which further spooked the ongoing financial crisis globally in short term.

At the end, Federal Reserve expanded its short-term lending facility and came out with some relief measures to restore the confidence of investors in this crisis. UBS has acquired Credit Suisse far below its market value and First citizen bank has acquired SVB, given some relief to investor and showing that these bank's failures are exceptional due to the failure of specific banks' risk management. The larger picture of banking sector is strong. Market participants continue to watch the banking sector and this crisis should not extend further in short term. Federal Reserve hiked the policy rate by 25 bps in the month of March 2023 in spite of being prevailing ongoing crisis in the near term. Fed fund moved towards target range of to 4.75 to 5% as guided by Fed governor earlier.

The way commodity prices are moderated from peak levels, Market participants are expecting to cool down Inflation ahead. And consequently, result in "PAUSE" in interest rates moving forward by all central bankers across the globe. But Federal Governor already commented that further policy action will be data dependent and we have mentioned the same in our earlier note that "Inflation" and "Job growth" data are to watch out for the further course of policy action in CY 2023. The federal reserve already indicated that there will be no interest rate cut in CY 2023 in the last policy meeting. Economic slowdown worry due to the rising interest scenario will continue to be a headwind for world economy.

Recently, Opec plus has also cut production by 1.16 Mn barrels per day effective from May 2023 and Russia already indicated 5 lakh barrels per day in the production cut from March 2023. These surprise moves particularly by Opec plus will results in the stabilization of crude oil prices at these levels and restrict the downside. Any kind of further increase in overall world crude demand will lead to a spike in inflation & rise in interest rate further. This will be negative for the market.

Conclusively, we are in time wise corrective or consolidation phase of the Indian equity market due to near-term challenges of rising the interest rate and Inflation. These challenges are going to ease further in the coming time. The news on the Adani group will not be a structural headwind for the economy and long-term India growth story.

India is in a very good spot in this economic slowdown worry because of its favorable policy reforms and domestic growth. Overall big picture of the multi-year growth upcycle in Indian equity is still intact. This time-wise corrective phase is a stock-specific buying opportunity for 2 to 3 years of Investment perspectives.

Global Indices Performance

Index	28-Feb-23	31-Mar-23	Change MoM
Dow Jones	32,657	33,273	1.9%
S&P 500	3,970	4,109	3.5%
Nasdaq	11,456	12,222	6.7%
CAC 40	7,268	7,322	0.7%
DAX	15,365	15,529	1.7%
FTSE 100	7,877	7,632	-3.1%
Nikkei 225	27,380	28,041	2.4%
Hang Seng	19,786	20,584	4.0%
Shanghai	3,280	3,273	-0.2%
Nifty 50	17,304	17,360	0.3%
BSE Sensex	58,962	58,992	0.0%
Brent Crude (\$)	83.9	79.8	-4.9%
WTI Crude (\$)	76.8	75.7	-1.4%

Sources : Yahoo Finance /BSE

Domestic & Sectoral Indices Performance

Index	28-Feb-23	31-Mar-23	Change MoM
Nifty 50	17,304	17,360	0.3%
Nifty IT	29,664	28,699	-3.3%
Nifty Next 50	37,253	37,798	1.5%
Nifty Bank	40,269	40,609	0.8%
NIFTY MIDCAP 100	30,117	30,035	-0.3%
Nifty 500	14,519	14,558	0.3%
Nifty 100	17,084	17,186	0.6%
Nifty Midcap 50	8,457	8,467	0.1%
Nifty Realty	393	387	-1.5%
Nifty Infra	5,017	5,091	1.5%
Nifty Energy	21,682	22,814	5.2%
Nifty FMCG	44,940	45,905	2.1%
Nifty MNC	19,010	19,135	0.7%
Nifty Pharma	11,747	12,017	2.3%
Nifty PSE	4,390	4,474	1.9%
Nifty PSU Bank	3,658	3,716	1.6%
Nifty Serv Sector	22,973	23,037	0.3%
India VIX	14	13	-7.7%
Nifty Auto	12,732	12,244	-3.8%
Nifty Metal	5,269	5,497	4.3%
Nifty Media	1,705	1,700	-0.3%

Sources : NSE

Accumulate

Key Data

DATE	24.03.2023
Reco Price	2,750-2,780
Target	3,523
Sector	Auto & Industrial Component
BSE Code	505790
NSE Code	SCHAEFFLER
EPS (CY22)	56.25
Face Value (Rs.)	2.00
Market Cap (Cr)	43,304.71
52-week High/Low (Rs)	3,968.75 /1,761.00

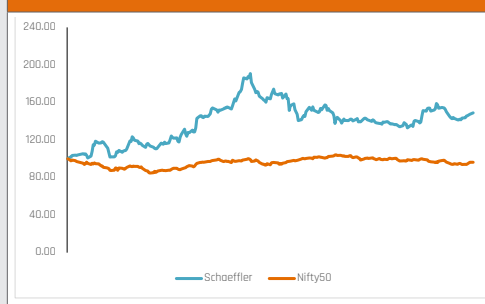
Source : NSE, BSE

Shareholding pattern (Dec-2022)

	%
Promoters	74.13
DII's	15.04
FII's	4.81
Public	6.02
Total	100.00

Source : NSE, BSE

Price Performance



Rebase to 100

Schaeffler India Limited

Company Background

Schaeffler India Limited (SCHAEFFLER) is engaged in the development, manufacturing and distribution of high-precision roller and ball bearings, engine systems and transmission components, chassis applications, clutch systems and related machine building manufacturing activities.

The Company operates through three segments: Automotive, Industrial and Automotive Aftermarket. The Automotive segment is a pioneer in developing and manufacturing technological solutions for passenger cars and commercial vehicles, and tractors. The Industrial segment offers a portfolio of bearing solutions, ranging from high-speed and high-precision bearings with small diameters, to large-size bearings, several meters wide. It focusses on smart products and on connecting components for a wide sectorial range.

The Automotive Aftermarket segment is focused on the spare parts business and delivers repair solutions of original-equipment quality.

The Company's manufacturing units are located in the State of Gujarat at Vadodara and Savli, in the State of Maharashtra at Talegoan (Pune) and in the State of Tamilnadu at Hosur.

Outlook and Valuation

The Company has managed to improve its performance in the last few quarters aided by recovery in automotive and industrial segment. We continue to remain positive on Schaeffler India due to consistent performance, EV push, rising export, increasing localization, positive outlook on the domestic PV segment, traction in the railway business, and strong presence in the aftermarket segment to drive growth momentum going forward. Hence, we believe Schaeffler India Limited is well placed to capitalize on these opportunities. Going ahead, **we expect the company's revenue to grow at a CAGR of ~16.04% over CY22-CY25E**. Hence, We recommend Schaeffler India Limited with a target price of Rs 3,523 based on CY25E EPS of Rs 113.66; it's available at lower end range of last 3 years PE of 31x. **Hence, we recommend ACCUMULATE rating for the long term.**

Financial Snapshot

Particulars	CY20	CY21	CY22	CY23E	CY24E	CY25E
Net Sales	3,761.84	5,560.51	6,867.42	8,234.04	10,037.29	12,451.26
EBITDA	536.82	972.77	1,294.39	1,601.52	1,997.42	2,496.48
EBITDA Margin	14.27%	17.49%	18.85%	19.45%	19.90%	20.05%
PAT	290.97	629.12	879.21	1,110.29	1,402.70	1,773.16
PAT Margin	7.73%	11.31%	12.80%	13.48%	13.97%	14.24%
EPS (Rs)	18.62	40.25	56.25	71.17	89.92	113.66
Debt to Equity Ratio	0.02	0.02	0.01	0.01	0.01	0.00
ROE (%)	9.27%	17.22%	20.51%	20.58%	20.63%	20.69%

Source : Company, ACMIIL Research

Investment Idea

Company Business And Products

Schaeffler India Limited is one of the India's biggest original equipment manufacturers (OEMs) and bring reliable offerings and solutions across all the three segments of Industrial, Automotive Technologies, and Automotive Aftermarket. Currently, company is having four plants and 11 sales offices, has a significant presence in India. It caters to wide range of sectors includes Cements, Power transmission, Mining's. Wind, Agriculture & Industrial Automation etc.s.

Schaeffler India is actively engaged in innovating and shaping the global pace of change. With innovative technologies, products, and services for CO2-efficient drives, electric mobility, Industry 4.0, digitalization, and renewable energies, the company is a reliable partner for making motion and mobility more efficient & resilient.

- A) **Automotive Technologies:** It develops and manufactures customer solutions for conventional internal combustion engines and hybrid and fully electric drives. Products includes hybrid and Electrified drive systems, Chassis systems, Transmission systems, etc. for Tractors, Commercial and Passenger vehicles.
- B) **Industrial:** This division offers a wide portfolio of bearing solutions, ranging from high-speed and high-precision bearings with small diameters to large-size bearings that are several meters wide. Co. focusses on smart products and on connecting components for a wide sectorial range. Its products include Maintenance services, Mechatronics, Digital services, rolling and plain bearings, etc and it caters to railways, industrial automation, 2 wheelers, power transmission, etc.
- C) **Automotive Aftermarket:** This segment provides solutions to global spare parts business and delivers repair solutions in original-equipment quality. Products include Replacement parts for Transmission, Engine components, etc. Intelligent solutions for Repair and service points, etc. It caters to Repair garages, Retail Market, Fleet Workshop, etc.

Company's Segment Wise Product Offerings

A) Automotive OEM:

- Chassis components and systems
- Clutches and transmission systems
- Engine components and precision products
- Drives for hybrid and Electric Vehicles (EVs)



B) Industrial:

- Rolling and plain bearings
- Linear guidance system
- Maintenance products
- Maintenance services
- Mechatronics
- Digital services



C) Automotive Aftermarket Replacement parts for::

- Transmission
- Engine components
- Chassis components
- Intelligent solutions for Repair and service points via platforms such as REPERT



Investment Idea

Investment Rationale

Demand picking up in the automotive and industrial sector

The passenger segment, both for two-wheelers and four-wheelers, is expected to remain strong, as the preference for personal transport rises. Rural demand is expected to improve on positive sentiments. We expect sequential improvement in M&HCV sales to continue, driven by the rise in e-commerce, agriculture, infrastructure, and mining activities. We expect M&HCVs to outpace other automobile segments in the medium term, followed by growth in the tractor, PV, and 2W segments. Moreover, exports provide a huge growth potential, given India's cost-effective manufacturing, being geographically closer to key markets of Middle East and Europe. Auto component exports are expected to grow from \$15 billion to \$80 billion by FY2027.

Increased localisation would expand profitability and reduce import dependency

Schaeffler India has revised its capex upward for CY2022-CY2024 to Rs. 1,500 crore from its earlier plan of Rs. 1,000- Rs. 1,200 crore. This increase in capex indicates that the company is increasing localisation, which would improve its profitability on shift of opex (outsourcing) to capex. The Company is focusing on localization to reduce import dependency for their source of raw materials to avoid supply chain management risk.

Growing opportunities with railway

The railway segment contributes 4-5% to the topline. Schaeffler India has been strongly present in the metro segment and provided bearings, traction motors as well as sub-assemblies. The company is looking to expand its capacities for railway-related supplies. Currently, it has been importing some of the components from Europe. However, going forward, it plans to localise them in India due to visibility of volumes. The introduction of Vande Bharat trains would augur well for Schaeffler's railway segment as content per vehicle rises on the introduction of new locomotives on the adoption of advanced technologies.

Content per vehicle would double in EVs

Schaeffler has won a new system order in e-mobility segment. It is a 3-in-one e-axle system, which comprises an electric motor, gear box, and electronic parts. While the gear box and motor would be an in-house design, the company would outsource the Power electronic parts from its business partners. The company believes the EV business would be much superior to the ICs (Internal Combustion) business, as it indicates that content per vehicle would double on shift in the business from ICs to EVs. The Company is also working for developing customized system application for EVs with OEMs.

New initiatives to increase market share

The Company is focusing on introducing new products in the industrial and automotive aftermarkets by bringing in localization and boosting its market share. It has launched the lubricant business under True Value brand, which is receiving positive feedback. The company intends to launch more products in the segment.

Inline growth with the parent company Schaeffler Group AG

Schaeffler India's parent company has identified it as a manufacturing base for supply to Asia-Pacific region. This provides a huge growth potential for the company in the long run. With access to e-mobility technology through its parent company, Schaeffler India is developing technology for two-wheelers, working jointly with the parent company.

Expansion in new growth verticals to give an edge

Schaeffler India have expanded their horizons and entered new growth verticals, including robotics, construction equipment, escalators, elevators, forklifts, food and beverages, defence, aerospace, and mineral processing.

Diversified product portfolio catering to wide range of industries

Schaeffler India have strengthened their leadership position by beating the industry's average growth with a significant margin. The Company's strategic focus on product diversification and expanding their transmission segment, based on gap analysis and purchase behaviour, has aided the growth. The new products where the company offers an extensive range of lubrication products, from automatic lubricators through to lubricant monitoring systems, wiper blades for the UJ cross, shock absorbers and dampers, especially in the commercial vehicle segment, have been receiving excellent reviews and gaining traction in the previously untapped semi-urban areas.

Industry tailwinds to drive growth

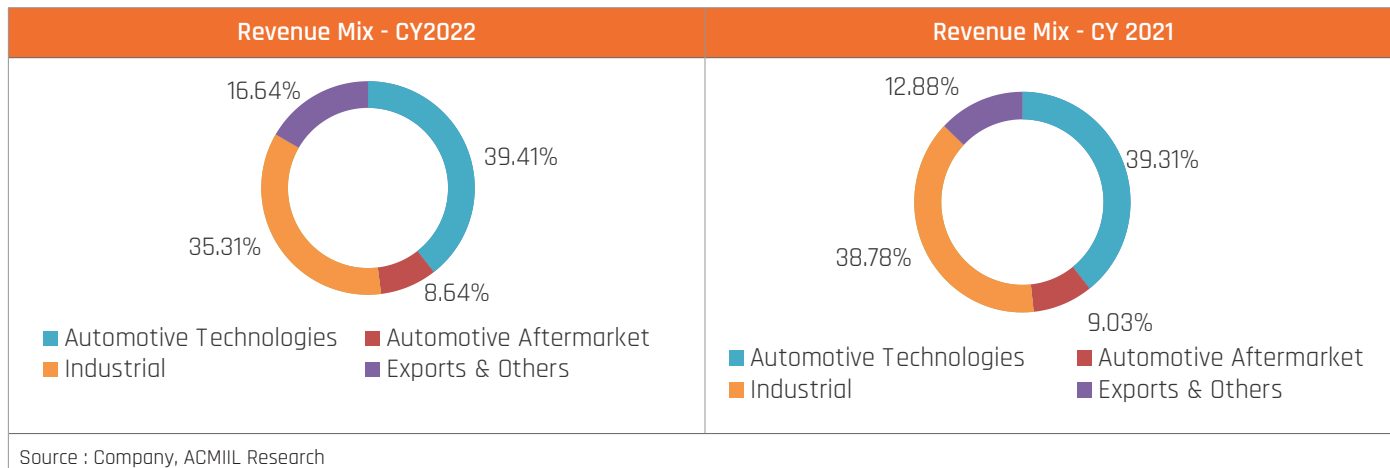
Post the implementation of BS-VI emission norms, Schaeffler India is witnessing increased content per vehicle in the petrol PV segment while in the industrial OEM segment, the company is witnessing strong growth from the railways segment. The railway division's business is driven by introduction of new products and supplies to metro railways. Besides the OEM segment, aftermarket is also poised for healthy growth, driven by new product introductions.

Investment Idea

Growth traction remain intact

Indian Government continuous focus on 'Make in India,' 'Atma-Nirbhar,' and PLI programmes, Schaeffler India is well positioned to benefit from these programmes. The company's strategies to increase content per vehicle through product innovation and launches, while identifying new business divisions in the industrial sector, are likely to keep growth traction intact.

Revenue Mix



Growth drivers for the automotive sector

Vehicle scrappage policy

The automobile scrappage policy was approved by the Government of India in August 2021. The policy will help boost the auto sector as old and unfit vehicles are replaced by more efficient new vehicles. The policy implementation will begin with heavy commercial vehicles, which will be subjected to mandatory fitness testing from April 1, 2023. All other vehicles will be tested from June 1, 2024.

Adoption of EVs

The government has extended the Faster Adoption and Manufacturing of Electric and Hybrid Vehicles (FAME-II) scheme till 2024. To accelerate EV transition, the government has authorized a PLI scheme for the automotive sector in September 2021. The government is promoting the use of public transport in urban areas, and increase usage of EVs to encourage clean and green technology. Moreover, the battery swapping policy is also likely to push EV sales in India.

PLI scheme

The Government of India announced the PLI scheme spanning 14 major sectors of the economy with a total outlay of ₹ 3 trillion to improve India's manufacturing sector, encourage job creation, import reduction, and export growth. The scheme is expected to draw a CAPEX of ₹ ~4 trillion and has a potential for incremental revenues of ₹ 35-40 trillion from reduced net imports over the next five years.

Growth drivers for the industrial sector

Push towards cleaner technologies

The Government's thrust on climate change and transition towards clean energy offer long-term growth opportunities for the Indian industrial sector. Initiatives for targeting net zero emissions by 2070.

Gati Shakti NMP

The PM Gati Shakti National Master Plan will bring a major boost to the industrial sector and unleash the potential of India's manufacturing competitiveness through its seven growth engines - road transport, railways, airports, mass transport, waterways and logistic infrastructure.

Vande Bharat trains

The Union Budget 2022-23 announced that 400, next-generation energy-efficient Vande Bharat trains to deliver a superior and safe riding experience for passengers which will be developed and manufactured over the next three years.

Financial Performance

Particular (Rs Cr.)	CY20	CY21	CY22	CY23E	CY24E	CY25E
Net Sales	3,761.84	5,560.51	6,867.42	8,234.04	10,037.29	12,451.26
EBITDA	536.82	972.77	1,294.39	1,601.52	1,997.42	2,496.48
EBITDA Margin	14.27%	17.49%	18.85%	19.45%	19.90%	20.05%
Depreciation	193.97	197.11	206.46	226.44	250.93	280.15
EBIT	342.85	775.66	1,087.93	1,375.08	1,746.49	2,216.32
Interest	5.94	4.90	3.55	4.03	4.22	4.48
Add: Other Income/(exceptional item)	60.30	72.38	92.66	115.28	135.50	161.87
PBT	397.21	843.14	1,177.04	1,486.33	1,877.78	2,373.71
Tax	106.24	214.02	297.83	376.04	475.08	600.55
Tax Rate	26.75%	25.38%	25.30%	25.30%	25.30%	25.30%
PAT	290.97	629.12	879.21	1,110.29	1,402.70	1,773.16
PAT Margin	7.73%	11.31%	12.80%	13.48%	13.97%	14.24%
EPS (Rs)	18.62	40.25	56.25	71.17	89.92	113.66
Share Capital	31.26	31.26	31.26	31.26	31.26	31.26
Reserves & Surplus	3,109.03	3,622.41	4,254.64	5,364.93	6,767.62	8,540.78
Networth	3,140.29	3,653.67	4,285.90	5,396.19	6,798.88	8,572.04
Book Value Per Share	201.30	234.21	274.74	345.91	435.83	549.49
Total Debt	65.09	60.70	57.38	51.33	45.16	42.46
Debt to Equity Ratio	0.02	0.02	0.01	0.01	0.01	0.00
ROE (%)	9.27%	17.22%	20.51%	20.58%	20.63%	20.69%
Source : Company, ACMIIL Research						

Risks and concerns

1. Any slowdown in automobile industry might adversely impact the scale of operations and profitability margins of the company.
2. Economic slowdown worry due to global recession and geopolitical tensions.
3. GDP slowdown in Indian economy may hamper industrial as well as automotive growth.

NIFTY-WEEKLY CHART



Chart as on 31/03/2023

NIFTY - WEEKLY CHART

- The index started the March series on a positive note, but due to consistent selling around 17800, the index has lost momentum. However, the late recovery helped the index to cover lost ground. On the back of that, the index has settled the month on a flat note at 17360.
- Technically, the index on monthly scale has formed a doji candle and on a weekly scale is consolidating in a falling channel pattern. Moreover, on a daily scale, the index has witnessed the breakout of short term consolidation of 16820-17210 with a bullish gap and managed to close above 50-WSMA, suggesting strength. As per the breakout, the index can test the levels of 17500-17600 in the short term.
- The index on a daily scale has formed a hammer candlestick pattern close to the lower trend line support of a channel pattern. As per this pattern, as long as the index holds the support of 16800 will act as strong support for the index. If 16800 is taken out, then the next major support is placed near 16650 (100-WEMA). Thus, 16650-16600 will act as strong support in the short to medium term.
- The index has formed a bearish gap in the range of 17451-17574. This, gap will act as resistance for the short term. The 21-WEMA is placed close to 17605, which will act as major resistance. If index manages to sustain above 17605, then rally could extend until 17800-18000.
- The momentum indicator RSI on the weekly scale is placed below centre point, indicating weakness and the Stochastic oscillator has witnessed bullish crossover.
- For the short term, 16800 and 16600 will act as support points, whereas 17600 and 17800 will act as resistance points.

BANKNIFTY- WEEKLY CHART



Chart as on 31/03/2023

BANK NIFTY - WEEKLYCHART

- The index began the March series on a positive note but was unable to cross the resistance of 41800. Thereafter, the index has witnessed strong selling pressure and index registered a low of 38613. However, the late recovery helped the index to cover last ground. Finally, the index has settled March series on a marginally positive note at 40609.
- Technically, the index on a weekly scale has formed a falling wedge pattern, as highlighted in the above chart. However, the index has found support close to the 50-WSMA. The 50-WSMA is placed close to 39074. The upper trend line resistance of the falling wedge pattern is placed close to 41000, which will act as a key hurdle in the short term. If the index sustains above 41000, then rally could extend till 41600-42000. On flip side, if index closes below 39070 (50-WSMA), then weakness could resume. In that case, the next major support is placed close to the 100-WEMA (37436).
- The momentum indicator RSI on the weekly scale is placed at centre point and the Stochastic oscillator has witnessed bullish crossover.
- For the short term, 39070 and 38600 will act as support points, whereas 41000 and 42000 will act as resistance points.

BHARAT ELECTRONICS LIMITED (BEL)



Chart as on 31/03/2023

BHARAT ELECTRONICS LIMITED (BEL) - WEEKLY CHART

- The stock on a daily scale has crossed the hurdle of 50-DSMA and managed to close above it. On the back of that, the stock has registered a trend line breakout, as highlighted in the above chart.
- The breakout is accompanied by strong volume, indicating good participation near breakout.
- The 50-DSMA is placed near 95.10 and recent breakout point is placed close to 95 levels. Thus, any dips around 95 will offer good entry point for the stock.
- The stock has formed a bullish gap in the range of 92.05-94.25. This gap will provide strong support for the stock.
- The momentum indicator RSI on a daily scale is placed above the center point and it has witnessed a trend line breakout. Moreover, the stochastic oscillator on a daily scale has formed a bullish crossover. Thus, momentum indicators suggest a bullish bias in the short term.
- Based on the above technical set up, we recommend buying BEL in the range of 93-97 with a stop loss of 88 on a closing basis for the target of 105 in the short term and 110 in the medium term.

PI INDUSTRIES LIMITED (PIIND)



Chart as on 31/03/2023

PI INDUSTRIES LIMITED - DAILY CHART

- The stock on a weekly scale is placed close to trend line support as well as 100-WEMA, as highlighted in the above chart. Moreover, the stock has formed a bullish candle near the demand zone and crossed the previous week high, indicating strength.
- The 100-WEMA is placed close to 2875, which will act as strong support in the short term. Thus, any dips around 2875 will offer a good entry point for the stock.
- The momentum indicator RSI on a weekly scale is placed close to the oversold zone and it is holding trend line support. On a daily scale, RSI is on the verge of forming positive divergence. Moreover, the stochastic oscillator on a weekly scale is placed close to the oversold zone and it has formed a bullish crossover. Thus, a bounce from an oversold zone could be possible.
- Based on the above technical set up, we recommend buying PIIND in the range of 2970-3030 with a stop loss of 2840 on a closing basis for the target of 3200-3300 in the medium term.

APRIL SERIES VIEW

Domestic equity benchmark indices saw selling pressure through the March expiry, marking the fourth consecutive month of decline. Correction in European banking stocks after rate hikes by the European Central Bank, consistent selling by foreign institutional investors (FIIs) and a surprise hike in securities transaction tax (STT) on futures and options trade by the government weighed on the sentiment. Nifty plunged more than 2% during the March series and closed at 17081 with a loss of 431 points (EoE) indicating neutral to negative bias for the short term. Meanwhile, Geopolitical issues, economic slowdown risk, and higher inflation numbers will remain a concern for the markets. Thus, investors should remain cautious on the higher side. On the expiry day, the Nifty futures rollover stood at 74%, which is lower as compared to the last three series average rollover of 77%, indicating short position carry forward. Nifty will start the April series with an open interest of 1.36 Cr shares compared to OI of 1.13 Cr shares at the beginning of the March series. A similar pattern played out in last year's March expiry, led by a long build-up with high open interest. However, price action was flat in the April-22 series. Market-wide rollovers stood at 93% as compared to the average rollovers of 92% in the last three series. Going forward, monthly auto sales data, Rupee movement against the Dollar, bond yields, Q4FY23 earnings, Fiis flow, RBI policy, global cues, tensions between Russia and Ukraine, and crude oil price movement will dictate the trend on the bourses next month.

DERIVATIVES INDICATORS

The volatility index, India VIX, is cooled off by 9.63% and closed at 13.63 vs. 15.08 level of the previous month. We expect volatility will remain continue due to global cues such as the banking crisis and economic data. Another leading derivatives indicator, Nifty PCR, opened on a flat note this month at 0.94 against last month's 0.93.

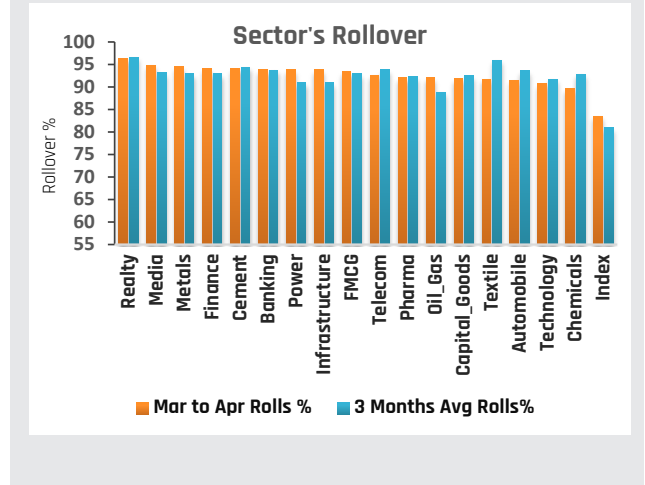
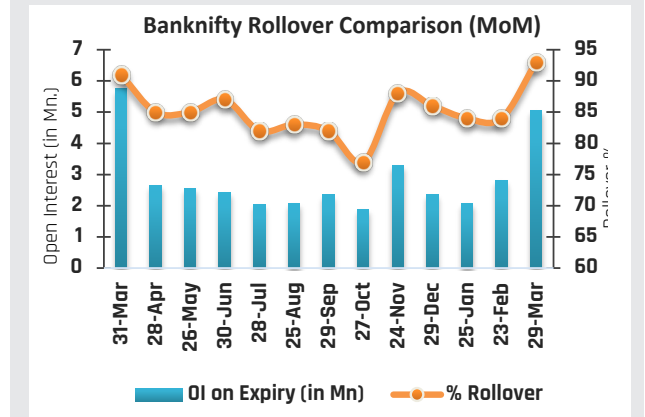
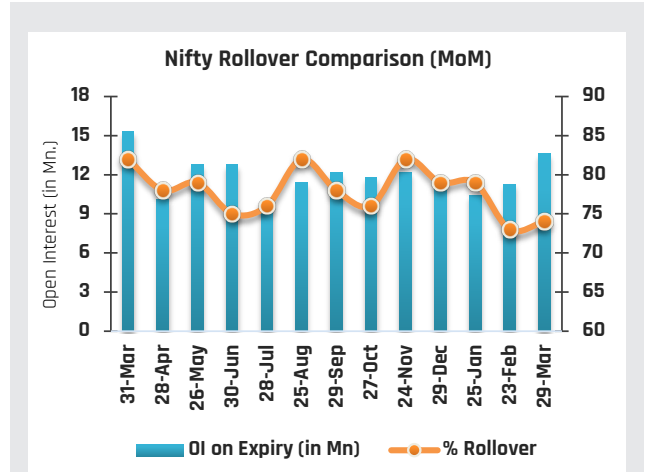
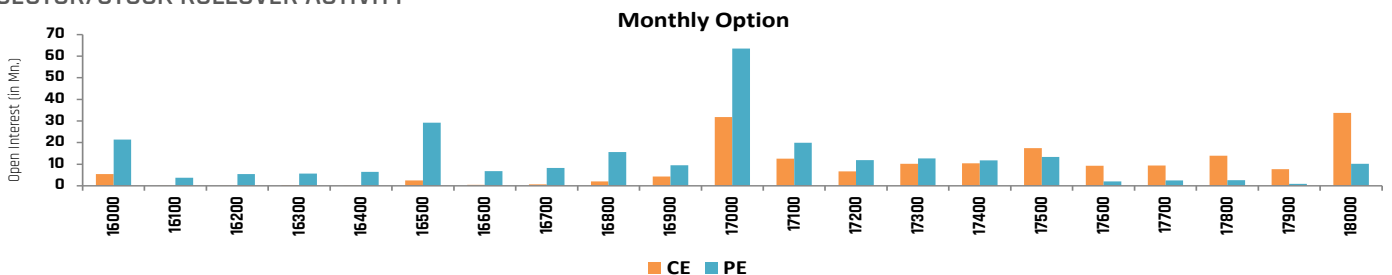
BANKNIFTY

The index saw high rolls of 93% as compared with the 3M average of 85%. BankNifty will start the April series with higher OI of 5.05 Mn shares as compared with OI of 2.81 Mn shares at the beginning of the March series. As per options data, support for the index stands around 39000 and 37000 whereas resistance stands at 41000 and 43000 for the short term.

SECTOR/STOCK ROLLOVER ACTIVITY

- From the sectoral action, rollovers accelerated for **MEDIA, METALS, POWER, INFRASTRUCTURE, OIL&GAS** and **FINANCE**, sectors in April expiry. However, low rollovers were seen in **TEXTILE, AUTOMOBILE, TECHNOLOGY**, and **CHEMICALS** sectors stocks on expiry day as compared to three month's average as highlighted in the chart.
- Within the Nifty50 space, index heavyweights such as **ONGC, POWERGRID, HCLTECH, SUNPHARMA**, and **LT** saw aggressive rollover in the April series while low rolls were seen in **BRITANNIA, TATASTEEL, DIVISLAB, EICHERMOT** and **BHARTIARTL** compared with the 3M average rollover.
- From the midcap space, **GUJGASLTD, MARICO, SYNGENE, NAVINFLUOR**, and **ADANIENT** saw high rollovers whereas **ATUL, IPCALAB, BOSCHLTD, COLPAL**, and **HAVELLS** saw lower rollover compared with the 3M average

SECTOR/STOCK ROLLOVER ACTIVITY



Stocks to watch out based on Rollover Analysis

POSITIVE	
NAVINFLUOR	Strong Rollover of 95% compared with 3 months average of 83%.
SIEMENS	Strong Rollover of 97% compared with 3 months average of 92%.
NEGATIVE	
LALPATHLAB	Rollover of 88% compared with 3 months average of 94%.
INDUSTOWER	Rollover of 94% compared with 3 months average of 96%.

MT Medium Risk Calls												
Calls Performance	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Calls Activated	39	25	30	19	32	36	22	24	40	29	18	57
Successful	21	11	21	15	24	18	17	14	21	18	10	39
Unsuccessful	18	14	9	4	8	18	5	10	19	11	8	18
Success Rate	54%	44%	70%	79%	75%	50%	77%	58%	53%	62%	56%	68%

MT High Risk Calls												
Calls Performance	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Calls Activated	48	35	42	34	44	53	24	20	24	13	10	19
Successful	29	23	26	27	31	32	16	14	13	7	8	12
Unsuccessful	19	12	16	7	13	21	8	6	11	6	2	7
Success Rate	60%	66%	62%	79%	70%	60%	67%	70%	54%	54%	80%	63%

Positional Calls												
Calls Performance	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Calls Activated	9	15	9	11	7	20	7	17	11	9	14	9
Successful	6	11	7	10	7	13	6	16	4	6	12	6
Unsuccessful	3	4	2	1	0	7	1	1	7	3	2	3
Success Rate	67%	73%	78%	91%	100%	65%	86%	94%	36%	67%	86%	67%

Momentum Call												
Calls Performance	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Calls Activated	16	23	28	28	19	22	13	11	20	12	16	12
Successful	9	12	13	22	16	16	9	6	11	6	10	6
Unsuccessful	7	11	15	6	3	6	4	5	9	6	6	6
Success Rate	56%	52%	46%	79%	84%	73%	69%	55%	55%	50%	63%	50%

Techno Funda												
Calls Performance	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Calls Activated	1	1	2	2	-	-	-	-	-	-	-	-
Successful	1	1	1	2	-	-	-	-	-	-	-	-
Unsuccessful	0	0	1	0	-	-	-	-	-	-	-	-
Success Rate	100%	100%	50%	100%	-	-	-	-	-	-	-	-

Retail Research Call Performance

Call Tracker

Positional Call Top 5 Gainer

Date	Company	REC	Rec Price	Stop Loss	Call Closed at	Target	P/L per Share	All charges	Gain / Loss %	Closed Date
28-Mar	BEL	Accu	90.5	83	98	100-105	7.5	-0.63	7.59%	31-Mar
21-Feb	CANBK	Accu	284.5	268	303.5	315-335	19	-1.99	5.98%	03-Mar
27-Feb	SBIN	Accu	522.5	478	554	570-600	31.5	-3.66	5.33%	03-Mar
20-Feb	SHARDACROP	Accu	462.5	425	486	520-550	23.5	-3.24	4.38%	31-Mar
16-Feb	PIDILITIND	Accu	2280	2170	2395	2450-2500	115	-15.96	4.34%	22-Mar

Positional Call Loser

6-Feb	JSWSTEEL	Accu	706.25	660	660	770-800	-46.25	-4.94	-7.25%	27-Mar
21-Feb	HAPPIESTMNDS	Accu	882	830	830	960-1000	-52	-6.17	-6.60%	15-Mar

Master Trade Medium Risk Top Gainer

Date	Company	Rec	Rec Price	Stop Loss	Call Closed at	Target	P / L per Lot	All charges	Gain / Loss per Lot	Lot	Closed Date
13-Mar	LALPATHLAB 1800 PE MAR	Buy	32	14	52	50-65	20	100.00	4900.0	250	13-Mar
3-Mar	POLYCAB 3200 CE MAR	Sell	43	64	27	20.0-5	16	100.00	4700.0	300	10-Mar
13-Mar	TECHM 1180 CE 29-MAR	Sell	16	25	10	1.00	6	100.00	3500.0	600	13-Mar
14-Mar	BANKNIFTY 39600 CE 16 MAR	Buy	285	150	425	500.00	140	100.00	3400.0	25	15-Mar
29-Mar	BHARTIARTL 760 CE APR	Buy	10.5	5	14	18-22	3.5	100.00	3225.0	950	31-Mar

Master Trade Medium Risk Top Losers

8-Mar	IGL 460 CE MAR	Buy	10.5	7	6	16-18	-4.5	100.00	-6287.5	1375	10-Mar
23-Mar	LT 2220 CE MAR	Buy	23	6	6	40-50	-17	100.00	-5200.0	300	24-Mar

Master Trade High Risk Top Gainer

Date	Company	Rec	Rec Price	Stop Loss	Call Closed at	Target	P / L per Lot	All charges	Gain / Loss per Lot	Lot	Closed Date
27-Mar	M&M APR FUT	Buy	1152	1134	1166.5	1175-1185	14.5	100.00	10050.0	700	31-Mar
24-Mar	LUPIN APR FUT	Buy	650.5	635	662	670-680	11.5	100.00	9675.0	850	27-Mar
1-Mar	LT MAR FUT	Buy	2130	2090	2162	2170-2200	32	100.00	9500.0	300	3-Mar
27-Mar	LALPATHLAB APR FUT	Sell	1870	1920	1832	1800-1760	38	100.00	9400.0	250	28-Mar
28-Mar	SIEMENS APR FUT	Buy	3297.5	3250	3332	3350-3380	34.5	100.00	9387.5	275	29-Mar

Master Trade High Risk Call Top Losers

15-Mar	MPHASIS MAR FUT	Buy	1905	1845	1845	1980-2020	-60	100.00	-16600.0	275	20-Mar
21-Feb	IGL MAR FUT	Buy	442.5	432	432	455-463	-10.5	100.00	-14275.0	1350	3-Mar

Momentum Call Top Gainer

Date	Company	Rec	Rec Price	Stop Loss	Call Closed At	Target	P / L per Share	All charges	Net Gain / Loss %	Closed Date
29-Mar	RELIANCE	Buy	2225	2170	2300	2300-2350	75	-15.58	2.67%	31-Mar
1-Mar	AMARAJABAT	Buy	561	545	576.5	585-595	15.5	-3.93	2.06%	02-Mar
1-Mar	VTL	Buy	310	300	318.5	325-330	8.5	-2.17	2.04%	06-Mar
17-Mar	SBIN	Buy	523.5	509	531.5	540-550	8	-0.37	1.46%	17-Mar
28-Mar	AMARAJABAT	Buy	561.5	544	569.5	590-600	8	-0.39	1.35%	28-Mar

Momentum Call Top Loser

1-Mar	TECHM	Buy	1110	1078	1063.5	1150-1170	-46.5	-7.77	-4.89%	09-Mar
6-Mar	STARHEALTH	Buy	582	566	560	600-615	-22	-4.07	-4.48%	13-Mar

Event Calendar

April 2023

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 <ul style="list-style-type: none"> Monthly Auto sales S&P Global Manufacturing PMI MAR
2	3	4	5 <ul style="list-style-type: none"> S&P Global Services PMI MAR <ul style="list-style-type: none"> GMBREW 	6 <ul style="list-style-type: none"> RBI Interest Rate Decision 	7 <ul style="list-style-type: none"> US Employment Report 	8
9	10	11	12 <ul style="list-style-type: none"> Industrial Production YoY Feb Manufacturing Production YoY Feb Inflation Rate YoY Mar <ul style="list-style-type: none"> TCS 	13 <ul style="list-style-type: none"> INFY 	14 <ul style="list-style-type: none"> WPI Manufacturing YoY Mar, WPI Inflation YoY Mar, Passenger Vehicles Sales MoM Mar 	15
16	17 <ul style="list-style-type: none"> ANGELONE 	18 <ul style="list-style-type: none"> ICICIGI TATACOFFEE 	19 <ul style="list-style-type: none"> ISEC 	20 <ul style="list-style-type: none"> CYIENT HCLTECH ICICIPRULI 	21	22 <ul style="list-style-type: none"> ICICIBANK
23	24 <ul style="list-style-type: none"> MAHSCOOTER 	25 <ul style="list-style-type: none"> HDFCAMC MAHINDCIE MAHLIFE MHRIL NAM-INDIA NESTLEIND 	26 <ul style="list-style-type: none"> BAJFINANCE HDFCLIFE POONAWALLA UTIAMC 	27 <ul style="list-style-type: none"> Expiry of Near Month Derivative Contract <ul style="list-style-type: none"> BAJAJFINSV BAJAJHLONG COFORGE MPHASIS 	28 <ul style="list-style-type: none"> Government Budget Value Mar <ul style="list-style-type: none"> ATUL STARHEALTH ULTRACEMCO 	29 <ul style="list-style-type: none"> IDFCFIRSTB
30						

Result Updates
 Economic & Other Event

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Market Watch	Positional Calls
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